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Message Text

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ORIGIN EB-08

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-12 EUR-12 NEA-10
IO-14 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 FPC-01 H-02 INR-07 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 USIA-15 OES-07 SP-02
SS-15 STR-05 TRSE-00 ACDA-12 PRS-01 SIG-02 LAB-04
SIL-01 /188 R

DRAFTED BY EB/ORF/FSE:WCRAMSAY:MW
APPROVED BY EB/ORF/FSE:GAROSEN
EUR/RPE:CKSTOCKER(INFO)
ARA/ECP:MLUCY(INFO)
EA/J:SECTON(INFO)
DOE:JTREAT
EB/OT/STA:SAHMAD
----------096841 081110Z /13
P 072300Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY ATHENS PRIORITY
AMEMBASSY BONN PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY BRUSSELS PRIORITY
AMEMBASSY BUENOS AIRES PRIORITY
AMEMBASSY CAIRO PRIORITY
AMEMBASSY CARACAS PRIORITY
USMISSION GENEVA PRIORITY
AMEMBASSY THE HAGUE PRIORITY
AMEMBASSY LISBON PRIORITY
AMEMBASSY LONDON PRIORITY
AMEMBASSY LUXEMBOURG PRIORITY
AMEMBASSY MADRID PRIORITY
AMEMBASSY MEXICO PRIORITY
AMEMBASSY OTTAWA PRIORITY
AMEMBASSY PARIS PRIORITY
AMEMBASSY ROME PRIORITY
AMEMBASSY STOCKHOLM PRIORITY
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AMEMBASSY TOKYO PRIORITY

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EMBASSY ALSO USOECD; EMBASSY ALSO USEEC, MTN ALSO US MISSION

E.O. 11652: N/A

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TAGS:ENRG

SUBJECT: MONITORING OF BITUMINOUS COAL AND COKE FOR COAL EXPORTS AND ANTICIPATED EXPORTS

1. ON DECEMBER 7, THE DEPARTMENT OF COMMERCE ISSUED THE FOLLOWING PRESS RELEASE DESCRIBING THE INSTITUTION OF TEMPORARY COAL EXPORT MONITORING IN RESPONSE TO A UNITED MINE WORKERS COAL STRIKE WHICH BEGAN ON DECEMBER 6.
BEGIN TEXT:

THE US DEPARTMENT OF COMMERCE TODAY ANNOUNCED TEMPORARY MONITORING OF EXPORTS AND CONTRACTS TO EXPORT BITUMINOUS COAL AND COKE DERIVED FROM COAL IN VIEW OF THE ANTICIPATED REDUCTION IN COAL PRODUCTION RESULTING FROM THE STRIKE WHICH BEGAN DECEMBER 6. SIMILAR MONITORING PROGRAMS WERE UNDERTAKEN BY THE DEPARTMENT DURING THE COAL STRIKES OF 1974 AND 1971.

EXPORTERS, PRODUCER-EXPORTERS AND CONTRACTORS FOR EXPORT OF THESE COMMODITIES WILL BE REQUIRED TO REPORT WEEKLY ON THEIR ACTUAL EXPORTS, EXPORT CONTRACTS, AND EXPORT PRICES, ACCORDING TO THE DEPARTMENT'S OFFICE OF EXPORT ADMINISTRATION. REPORTING OF THIS INFORMATION IS BEING REQUIRED, THE DEPARTMENT EXPLAINED, TO ASSURE THE
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AVAILABILITY OF ACCURATE AND TIMELY DATA REGARDING THE VOLUME OF EXPORTS AND ANTICIPATED EXPORTS IN RELATION TO DOMESTIC SUPPLIES OF THESE COMMODITIES.

IN ANNOUNCING THE MONITORING PROGRAM, THE DEPARTMENT NOTED THAT IT HAS EXAMINED THE NEAR-TERM OUTLOOK FOR THE SUPPLY OF, AND DEMAND FOR, BITUMINOUS COAL AND COKE DERIVED FROM COAL, AND HAD CONSULTED WITH OTHER APPROPRIATE FEDERAL AGENCIES. THE DECISION TO INSTITUTE THIS MONITORING PROGRAM WAS MADE BY THE DEPARTMENT OF COMMERCE UNDER THE EXPORT ADMINISTRATION ACT, WHICH REQUIRES THAT THE DEPARTMENT "MONITOR EXPORTS AND CONTRACTS FOR EXPORT OF ANY ARTICLE, MATERIAL OR SUPPLY...WHEN THE VOLUME OF SUCH EXPORTS IN RELATION TO DOMESTIC SUPPLY CONTRIBUTES, OR MAY CONTRIBUTE, TO AN INCREASE IN DOMESTIC PRICES OR A DOMESTIC SHORTAGE AND SUCH A PRICE INCREASE OR SHORTAGE HAS, OR MAY HAVE A SERIOUS ADVERSE IMPACT ON THE ECONOMY OR ANY SECTOR THEREOF".

THE FIRST MONITORING REPORT UNDER THIS PROGRAM IS TO BE FILED FOR THE WEEK ENDING AS OF THE CLOSE OF BUSINESS

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DECEMBER 9, 1977 AND SUBMITTED SO AS TO BE RECEIVED BY THE
OFFICE OF EXPORT ADMINISTRATION NO LATER THAN 5:00 PM
E.S.T. DECEMBER 19, 1977.

DETAILS OF THE MONITORING PROGRAM APPEAR IN A NOTICE
FILED WITH THE FEDERAL REGISTER.

ADDITIONAL INFORMATION CAN BE OBTAINED FROM THE
SHORT SUPPLY DIVISION, OFFICE OF EXPORT ADMINISTRATION,
ROOM 1617B, US DEPARTMENT OF COMMERCE, 14TH AND E STREETS,
N.W., WASHINGTON, D.C. 20230, TEL. (202) 377-3795.
END TEXT.

2. LENGTHY CONTRACT NEGOTIATIONS BETWEEN THE BITUMINOUS
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COAL OPERATORS OF AMERICA (BCOA) AND THE UNITED MINE
WORKERS (UMW) PRECEEDED UNION DECISION TO STRIKE. EVEN IF
A SETTLEMENT IS REACHED QUICKLY, UNION RATIFICATION OF A
NEW AGREEMENT WOULD REQUIRE 10 DAYS. NEGOTIATIONS WITH
THE BCOA CONCERN THE NATIONAL BITUMINOUS COAL WAGE AGREE-
MENT WHICH AFFECTS 154,000 WORKERS PRODUCING ABOUT
55 PERCENT OF NATIONAL SOFT COAL AND THE WESTERN SURFACE
COAL WAGE AGREEMENT WHICH ACCOUNTS FOR ANOTHER FIVE PERCENT
OF NATIONAL PRODUCTION OF SOFT COAL.

3. COAL EXPORT MONITORING WAS CONDUCTED DURING THE UAW
STRIKES OF 1971 AND 1974. IN NEITHER CASE DID IT RESULT
IN EXPORT LIMITATIONS. MONITORING BY THE USG, IF PROPERLY

PRESENTED TO HOST GOVERNMENT AUTHORITIES, CAN BE VIEWED
AS A RESPONSIBLE ACTION DESIGNED TO PUT TIMELY AND
ACCURATE INFORMATION IN THE HANDS OF US DECISION MAKERS
WHO WILL THUS BE IN GOOD POSITION TO ARGUE AGAINST
INTEMPERATE MOVES TO LIMIT EXPORTS. FOREIGN BUYERS OF
US COAL HAVE BEEN AWARE OF A STRIKE POSSIBILITY AND WE
UNDERSTAND MOST HAVE ATTEMPTED TO MAKE APPROPRIATE
ARRANGEMENTS, E.G., STOCKPILING, TO REDUCE THE IMPACT OF
A STRIKE.

4. IT IS PARTICULARLY DIFFICULT TO SPECULATE ON THE
LENGTH AND IMPACT OF A STRIKE BECAUSE OF FACTORS
SURROUNDING THIS YEAR'S NEGOTIATIONS. A) DEATH AND
MEDICAL BENEFITS USUALLY AVAILABLE TO STRIKERS WILL BE
GREATLY REDUCED THIS YEAR DUE TO A DEPLETED FUND. THE
HEALTH BENEFIT FUND FACES INSOLVENCY BECAUSE OF EARLIER
WILDCAT STRIKES IN THE COAL FIELDS. B) THE UMW IS EXPER-
IENCING DIFFICULTY IN UNIFYING VARIOUS FACTIONS OF ITS
MEMBERSHIP. C) COAL STOCKS ACCUMULATED IN ANTICIPATION
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OF BOTH A COAL STRIKE AND A HARD WINTER ARE GENERALLY FELT ADEQUATE TO DEAL WITH THE EXPECTED STRIKE.

5. ACTION: POSTS SHOULD ADVISE HOST GOVERNMENT(AND EC) AUTHORITIES OF THE USG MONITORING DECISION, PROVIDING THE BACKGROUND INFORMATION CONTAINED IN THIS CABLE TO ASSUAGE ANY UNDUE CONCERN ABOUT THE POSSIBILITIES OF A US COAL EXPORT EMBARGO. REPORT SIGNIFICANT COMMENTS RE US ACTION. USOECD SHOULD INFORM REPEAT INFORM SECRETARIAT. US MISSION GENEVA SHOULD INFORM GATT SECRETARIAT FOR INFORMATION OF CP'S. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MONITORING, COAL, EXPORTS, COKE
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: WCRAMSAY:MW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770456-0482
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19771281/aaaacqti.tel
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Litigation History:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: n/a
Previous Handling Restrictions: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 322401
Secure: OPEN
Status: NATIVE
Subject: MONITORING OF BITUMINOUS COAL AND COKE FOR COAL EXPORTS AND ANTICIPATED EXPORTS
TAGS: ENRG
To: ATHENS BONN MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/af7f9009-c288-dd11-92da-001cc4696bcc
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